



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
25 Capitol Street - Room 120
Concord, New Hampshire 03301
Office@das.nh.gov

MLC
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Charles M. Arlinghaus
Commissioner
(603) 271-3201

Catherine A. Keane
Deputy Commissioner
(603) 271-2059

Sheri L. Rockburn
Assistant Commissioner
(603) 271-7710

July 11, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, authorize the Department of Administrative Services (DAS) to accept and expend \$20,000,000 of American Rescue Plan (ARP) State and Local Recovery Funds (FRF) for Deferred Maintenance at State Facilities, effective upon approval by the Fiscal Committee and the Governor and Executive Council through June 30, 2023. This is an allowable use of ARP FRF funds under Section 602 (c)(1)(A) to respond to the public health emergency or its negative economic impacts as well as under Section 602 (c)(1)(C) for provision of government services to the extent of the reduction in revenue. 100% Federal Funds.

Funds for Deferred Maintenance at State Facilities are to be budgeted in FY 2023 in a new accounting unit 01-14-14-141510-26XX0000¹ Department of Administrative Services, Deferred Maintenance in State Buildings, as follows:

¹ All direct program costs will be accounted for using activity 00FRF602GS1401A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1401Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

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| CLASS/ OBJECT | DESCRIPTION | FY 2023 REQUESTED |
|--------------------------|--|------------------------------|
| 000-400338 | Federal Funds | \$20,000,000 |
| | TOTAL REVENUE | \$20,000,000 |
| | | |
| 020-500200 | Current Expenses | \$3,000 |
| 030-500301 | Equipment New, Replacement | \$500,000 |
| 040-500800 | Indirect Costs | \$2,000,000 |
| 041-500801 | Audit Fund Set Aside | \$200,000 |
| 047-500240 | Own Forces Maint. – Bldgs, Grounds | \$250,000 |
| 048-500226 | Contract Repairs – Buildings & Grounds | \$17,047,000 |
| | TOTAL EXPENSES | \$20,000,000 |

EXPLANATION

Pursuant to U.S. Treasury 31 CFR Part 35, RIN 1501-AC77, the Coronavirus State Fiscal Recovery Fund established under the American Rescue Plan Act authorizes use of funding to address the public health emergency or its negative economic impacts.

DAS, Division of Plant & Property, manages 91 facilities throughout the state of New Hampshire. The majority of the facilities are over 50 years old and require continuous reinvestment in the form of maintenance and repairs to keep them operating and in satisfactory condition. Historically deferred maintenance has been underfunded creating a backlog of deferred maintenance that has yet to be completed.

With this request, DAS is looking to complete projects from its deferred maintenance list, which exceeds \$280,000,000. These funds will allow DAS to address the most pressing and critical maintenance needs, which includes a variety of projects that could include air quality and HVAC improvements that aid in the mitigation of COVID-19 and other airborne viruses and contaminants. Many projects were stalled or cancelled during the Coronavirus pandemic, putting DAS even further behind on clearing its deferred maintenance backlog.

In 2021, DAS was awarded \$24,807,100 in ARP funds to address deferred maintenance in its heating, ventilation, and air conditioning (HVAC) systems. With this appropriation, DAS was able to hire two Project Administrators who will also be able to manage the maintenance projects funded with the current appropriation. This new appropriation will not require the hiring of new staff and can be solely focused on funding the project implementation.

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Funds are budgeted as follows:

Class 020 – Current expenses – used to purchase additional supplies needed for staff to complete these new projects

Class 030 – Equipment – may included, but not limited to, the purchase of equipment such as automatic door openers and HVAC components if self-installed by agency staff

Class 040 – Indirect Expenses – at a rate of 10%

Class 041 – Audit Fund Set Aside – at a rate of 1%

Class 047 – Own Forces Maintenance (Buildings & Grounds) – includes the supplies and materials needed for building maintenance, repairs, and installation performed by the Department's own staff. Projects may include, but are not limited to, installation of automatic door openers, painting, demolition work, and site preparation if performed by in-house staff

Class 048 – Contract Repairs, Buildings & Grounds – includes design, maintenance, repair, and installation of deferred maintenance projects by contracted vendors. Services provided may include, but are not limited to, roofing, paving, flooring installation, window installation, elevator work, renovations, and hazardous material abatement

In the event that Federal Funds are no longer available, General Funds will not be requested to support this program. The Department of Administrative Services requests approval of this request.

Respectfully submitted,



Charles M. Arlinghaus
Commissioner